

Hong Leong PowerSME Current Account-i **Terms & Conditions**

These terms and conditions are to be read together as a whole with the General Terms and Conditions of Accounts for Deposits and Islamic Banking Deposits, Terms and Conditions for Hong Leong Current Account-i and Savings Account-i, Terms and Conditions for Hong Leong Business Internet Banking and any other relevant terms and conditions as **Hong Leong Islamic Bank Berhad (“HLISB”)** may impose from time to time with at least **Twenty One (21) calendar day’s** notice to the Customer.

Shariah Principle

1. The Hong Leong PowerSME Current Account-i (“PowerSME Current Account-i”) is an Islamic current account based on the Shariah concept of “Tawarruq” where it refers to multiple sale and purchase transactions. The mechanics involved :

- i) HLISB acting as an Agent purchases the Commodity on behalf of Customers at Purchase Price.
- ii) HLISB thereafter as an Agent to a Customer(s) sell the Commodity to HLISB at Selling Price on the basis of Musawamah which shall be paid to the Customer(s) on deferred basis throughout the tenure (after taking into consideration any rebates if any).
- iii) HLISB thereafter sell the Commodity to a third party on a cash and spot basis.

Musawamah or bargained sale/negotiated sale is a sale contract without the disclosure of the asset cost price and profit margin to the purchaser. For the purpose of this CASA-i products, it will be used for non-profit bearing accounts.

In addition to Tawarruq, PowerSME Current Account-i also adopts other Shariah principles as approved by Bank Negara Malaysia (“BNM”) where applicable. The other Shariah principals are:-

i. Hibah

Hibah is a form of benevolent (tabarru’) contract. The inherent nature of a hibah is the unilateral transfer of ownership of a hibah asset from the donor to the recipient without any consideration. In PowerSME Current Account-i, hibah is granted (if any) to the customers in the form of rebates (if any) earned based on the average balance in the account at month end.

ii. Muqasah

Muqasah is the demand of one of the parties (in this case the customer) to discharge its debts/obligations by way of set-off. Muqasah in PowerSME Current Account-i will happen when the rebates (if any) earned by the customers are redeemed to offset eligible banking fees and charges incurred from the transactions performed at HLISB/HLBB.

iii. Tanazul

Tanazul is waiving of the entitlement to claim. Tanazul in PowerSME Current Account-i refers to the situation where customers are agreeable to waive their rights on the unutilised rebates (if any) should the accounts be closed prior to the utilisation of the accumulated rebates.

Eligibility

2. PowerSME Current Account-i is available only to companies and also to sole proprietors and partnerships who have been granted Shariah-compliant financing facilities in the form of Islamic business banking facilities by HLISB (each referred to herein as a “Customer” and collectively, “Customers”).

Customers are required to place a minimum deposit of Ringgit Malaysia Five Hundred (RM500) to open the PowerSME Current Account-i.

Main Features

3. The main features of the PowerSME Current Account-i are set out below and are subject to the following terms and conditions:

(A) Monthly Reward Rebates (“Rebates”)

- (a) Rebates are awarded based on the Customers’ monthly average balance (“Monthly Average Balance”) every end of the month. Monthly Average Balance is calculated based on the aggregate of the total end-day outstanding balance over the total number of days in the month. However, for the first month of account opening, Monthly Average Balance will be calculated based on the aggregate of the total end-day outstanding balance over the total number of days from the account opening date to the end of the month in which the PowerSME Current Account-i was opened.
- (b) Customers are eligible to apply for any one (1) of the three (3) Rebates Packages set out below at any one time:
 - (i) The **Basic Package**, which is the Rebates Package available when the Customer subscribes for the e-Inquiry Services; or
 - (ii) The **e-Payment Package**, which is the Rebates Package available when the Customer subscribes for the e-Payment Services; or
 - (iii) The **Business Financing Package**, which is the Rebates Package available when the Customer successfully applied for a new Islamic business banking financing (“Business Financing”). Customers electing the Business Financing Package who subscribe for e-Payment Services may additionally be entitled to utilise their Rebates earned in the manner set out under Clauses 4(B) and 4(C) herein, wherever applicable, upon the relevant conditions being met.

Rebates will be calculated for the Basic Package, e-Payment Package and the Business Financing Package in the manner set out at the HLISB website at www.hlisb.com.my/en/business-i/deposits-i/current-account-i/power-sme-current-account-i.html and as may be amended from time to time.

- (c) Customers are allowed to switch between the Rebates Packages available depending on whether the e-Inquiry Services or the e-Payment Services are subscribed for or if the Customer successfully applies for a Business Financing. The Rebates for the month will be computed based on the latest Rebates Package tagged to the PowerSME Current Account-i at the material time.
- (d) Rebates earned in a particular month will only be available for utilisation commencing from the following month. Rebates can be accumulated and aggregated for utilisation provided always that Rebates can only be accumulated up to 12 months from the last day of the

calendar month in which the PowerSME Current Account-i was opened (“Account Anniversary Date”).

- (e) All Rebates must be utilised before the expiry of the Rebates on the last day of the calendar month coinciding with the Account Anniversary Date.
- (f) Rebates can only be used to offset profit payments (for Business Financing Package only subject to the requirements set out in Clause 4(C) herein), the Security Token Fee as defined in clause 4(B)(a) below (subject to Clause 4(B) herein) and/or eligible banking fees and charges performed at any HLISB/HLB branches and/or through Hong Leong Online Business, as may be determined by HLISB/HLB from time to time (“Eligible Transactions”).
- (g) The list of Eligible Transactions and the value of Rebates applicable to each Eligible Transaction (Rebates Value) are available at the HLISB website at www.hlisb.com.my/en/business-i/deposits-i/current-account-i/power-sme-current-account-i.html and as amended from time to time.
- (h) All Rebates are deducted on a sequential basis for the Eligible Transactions performed, that is, Rebates will be used to set off against the first Eligible Transaction presented, and thereon.
- (i) Rebates can only be used if sufficient to cover the Rebates Value in full for each Eligible Transaction except for items specifically stated under Clauses 4(B) and 4(C) below. In the event the Rebates are insufficient to cover the Rebates Value in full in respect of an Eligible Transaction, no partial utilisation or deduction of Rebates available under the PowerSME Current Account-i is allowed and the Customer is required to pay for the full transactional fee or charge for that Eligible Transaction.
- (j) For avoidance of doubt, if transactions falling within the description of Eligible Transactions are effected on a bulk or grouped basis (“Bulk Transaction”), each Bulk Transaction will be considered as one (1) Eligible Transaction only and the utilisation of Rebates for that Eligible Transaction will similarly be subject to Clause 4(A)(i) above.
- (k) In the event the account is closed prior to the utilisation of the accumulated Rebates, the Customer is agreeable to waive his rights on the unutilised Rebates (if any).
- (l) The Rebates are non-transferable and non-exchangeable for any cash, credit, cheque or in kind and may be subject to variation or reduction as the Bank will determine at any time and from time to time.

(B) Rebates deduction for Security Token Fees

- (a) A Security Token is an electronic device issued by HLISB to the Customer for the purpose of generating a challenge response protocol for authentication purposes.
- (b) Customers who subscribe for e-Payment Services for the first time are entitled to utilise Rebates earned towards off-setting the Security Token Fees on a one-off basis, partially or in full, depending on the available Rebates at the point of redemption, which is when the Security Token Fees are charged to the PowerSME Current Account-i.
- (c) For avoidance of doubt, the Rebates earned can only be utilised once towards off-setting the Security Token Fees when the Security Token Fees are charged to the PowerSME Current Account-i. In the event the Rebates are only sufficient for partial settlement of the

Security Token Fees, the Customer will still be liable for the balance of the Security Token Fees ("Balance") and Rebates earned in the following month cannot be utilised to offset the Balance charged to the PowerSME Current Account-i.

(C) Rebates deduction for Business Financing Profit payment

- (a) Applicable only to selected Business Financing as stated in www.hlisb.com.my/en/business-i/deposits-i/current-account-i/power-sme-current-account-i.html where payment of the Business Financing is effected by way of Standing Instructions by the Customer via the PowerSME Current Account-i.
 - (b) Rebates can be used to offset profit payment on the Business Financing Profit, partially or in full every month, depending on the available Rebates at the point of redemption, which is the Business Financing monthly payment due date. In the event the Rebates are only sufficient for partial settlement of the Business Financing Profit payment in a particular month, the Customer will still be liable to pay the balance of the Business Financing Profit due ("Balance profit") and Rebates earned in the following month cannot be utilised to offset the Balance profit in the preceding month.
4. For the latest list of Eligible Transactions, Fees and Charges and Rebates Value, please visit any HLISB/HLB branch and/or the HLISB website at www.hlisb.com.my/en/business-i/deposits-i/current-account-i/power-sme-current-account-i.html
 5. Subject to Shariah compliance, HLISB reserves the right at any time with **Twenty One (21) calendar days'** notice to add, delete, suspend or vary the terms and conditions contained herein, wholly or in part by way of posting on the HLISB website, or in any manner suitable. Accountholders are strongly advised to access the website at regular time intervals to view the terms and conditions and ensure to be kept up-to-date on any change or variation to the terms and conditions.

Protected by PIDM up to RM250,000 for each depositor.